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## Viewing cable 08PANAMA18, PANAMA POST: 1ST EDITION, VOLUME II

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- The top box shows each cable's unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
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Reference ID	Created	Released	Classification	Origin
<a href="#">08PANAMA18</a>	<a href="#">2008-01-04 22:01</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL</a>	<a href="#">Embassy Panama</a>

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C O N F I D E N T I A L PANAMA 000018

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E.O. 12958: DECL: 01/04/2018  
TAGS: [PGOV](#) [PREL](#) [PM](#)  
SUBJECT: PANAMA POST: 1ST EDITION, VOLUME II

Classified By: POLCOUNS Brian R. Naranjo. Reasons:  
1.4 (b) and (d).

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## Summary

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¶1. (C) In this year's first edition, the Panama Post includes the following stories:

- Panamamenista Party President Juan Carlos Varela launches presidential campaign;
- Team Martin player disillusioned as President Torrijos backs challenger to his seat on the governing Democratic Revolutionary Party (PRD) National Executive Committee (CEN);
- PRD women leaders upset with party's direction;
- Former Panamenista Mayor of Panama City to support Democratic Change (CD) Presidential and presidential candidate Ricardo Martinelli; and
- Anatomy of a bottomfeeding muckracker-cum-pundit's political operation.

As opposition candidates begin to formally announce their candidacies and the governing Democratic Revolutionary Party (PRD) prepares for its January 20 poll to select delegates for its National Directors' Committee (CDN), 2008 is shaping up to be a very political year right from the get-go. The Panama Post will be on hand throughout the year to continue periodically tracking interesting stories that might not otherwise find their way into Embassy Panama's reporting.

### ----- Varela Launches Presidential Campaign -----

¶2. (SBU) To nobody's surprise, Panamenista Party President Juan Carlos Varela has formally launched his campaign to be President of the Republic. Varela made his formal announcement January 3 at the Hotel Soloy in the Panama City working class neighborhood of Calidonia. Varela arrived to a jammed hotel, so packed that hotel security had already barred additional people from entering. While press reporting indicated that about 2,000 loyalists attended, the Panama Post believes that an additional 1,000 were left on the curb. At the well-organized event, representatives from each of Panama's provinces and every party "sector" (e.g., youth, women, business, labor) were well represented. The proceedings were covered live by at least one television network and one radio broadcaster, and the press corps was out in force.

¶3. (SBU) In a powerful speech, Varela slammed the Torrijos Administration for failing to combat corruption; provide law and order; address the public transportation problem (He basically asserted that Torrijos' failure to act was a direct cause of the horrific October 2006 bus fire.); and reform education (He said, in a reference to the emerging FECE scandal, that instead Torrijos had allowed corrupt individuals to steal from students in need.). Varela stated that he would end the PRD's "sectarian way of governing" and instead govern on behalf of and to benefit all Panamanians. Promising to combat economic inequality and to ensure that Panama's economic growth benefitted all, Varela said, "We cannot continue to build a First World economy on the backs of the poor who are living in the Third World." Asserting that the Torrijos Administration had been "overly bureaucratic" and "inept," Varela, an engineer, said that he would "re-engineer" Panama's government to more efficiently deliver services to all. Varela said that decentralization of government services and empowerment of mayors and governors would be central to his administration. Attempting to win greater support from Panama's professional class, Varela said that he would "revoke" the taxes imposed "unjustly" on them by Torrijos. Seeking to highlight his commitment to "values," Varela said, "We are going to recommit this party to the doctrine of service for others. I will be your servant, not your idol. I have clean hands and will have zero tolerance for corruption."

¶4. (C) Comment: POLCOUNS was admittedly surprised not only by the turn-out for Varela's campaign launch, but also by the power with which Varela spoke and the organization that is

backing him. Varela has pulled into his campaign experienced, seasoned, street-fighter political operatives like National Assembly Deputies Alcibades Vasquez, Alberto "Topo" Barranco, and Argentina Arias. National Assembly Deputy Jose Luis "Popi" Varela, who normally is his brother's toughest critic among Varela's closest advisors, was ecstatic at the success of this campaign launch; "We drew major party leaders from across the country. We will get momentum out of this launch." (Popi is his brother's campaign manager for the Panamenista primaries.) Alberto Vallarino will launch his campaign for the Panamenista presidential nomination on January 7; Varela has set a high bar for Vallarino.

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Team Martin Player Bitter as Torrijos Backers Challenger  
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15. (C) Previously stalwart Torrijos supporter -- indeed founding member of President Martin Torrijos' "Team Martin" campaign effort -- Samuel Buitrago told the Panama Post that he was very bitter that Torrijos had decided to back Rod Diaz in the the race for Buitrago's seat on the National Executive Committee (CEN) of the governing Democratic Revolutionary Party (PRD). Buitrago confided to the Panama Post that Torrijos told him directly that Torrijos would back Buitrago's challenger. Buitrago said he thought that he was being punished as he was perceived as being one of PRD National Assembly Deputy Hector Aleman's "guys." Additionally, he told our reporter that he was "hurt" that First VP and FM Samuel Lewis and Minister of Housing Balbina Herrera were also supporting Diaz.

16. (C) "I don't understand the kind of message President Torrijos wants to send with his new CEN: (current National Assembly President and indicted U.S. federal fugitive) Pedro Miguel Gonzalez, (current Minister of Public Works and former Noriega-era Dignity Battalion commander) Benjamin Colamarco, (current Minister of Housing and former Noriega-era San Miguelito Mayor) Balbina Herrera, Mitchell Doens (who is ineligible for a U.S. visa), Rod Diaz, (current Panama City Mayor and presidential aspirant) Juan Carlos Navarro, and Gabriel Diez," Buitrago said. "They all come from different walks of life and different political ideologies." Buitrago asserted that Aleman was very bitter, too, and frequently blew his top with respect to Torrijos maneuvering in the PRD. "Aleman's full-time job is be a PRD party member, then he's a (National Assembly) deputy."

17. (C) Comment: During his last meeting about three months ago with POLCOUNS, Buitrago asserted that Team Martin was still strong, Torrijos was firmly in command and loved by all in the PRD, and that Torrijos would chart the path to future and the party would follow him. Well, now it appears that the growing divisions within the PRD may be striking closer to home as bitterness takes ahold of previously committed Torrijos supporters. Rod Diaz -- "the most yeye of the yeyes" -- is reportedly throwing around a lot of cash bankrolling PRD campaigns. (Note: "Yeye" is a derisive Panamanian colloquialism for wealth, pampered, and spoiled Panamanian youth.) Rod Diaz himself confidently told POLCOUNS January 4 that he would handily replace Buitrago. He dismissed his "outsider" status stating, "My father was PRD, I have been PRD for 14 years (signing up at age 18), and I have won four previous internal elections in the party." Diaz stated that the "yeye" slam and assertions that he was not "a real PRD member" was directed at his white skin color and wealth that distinguished him from the "colored" and "poorer" masses of the party. As the PRD's elections for delegates to the National Directors Committee (CDN), scheduled for January 20, draw near, the Panama Post will be on the look out for further internal PRD intrigue.

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PRD Women Leaders Upset  
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18. (C) "If things do not get better internally (in the PRD) in terms of more inclusion of women in the party structure

and its decision-making process, then in a few years a large group of PRD members could leave to form a new party," PRD women activist Irasema de Ahumada told the Panama Post on December 28. "It could be led by El Toro (former President Ernesto Perez Balladares) or somebody else, but it could easily happen." These words are shocking -- indeed sacrilegious -- coming from a founding member of the PRD. De Ahumada was accompanied by Maribel Coco, a PRD women's leader in the 8.7 District of Panama City, a largely down at its heels, working class district, expect for the Ancon neighborhood.

¶9. (C) Both ladies were focused on the January 20 PRD CDN elections to elect 4,200 delegates nationwide. "The tickets (nominas) for each district are fairly short and weak," De Ahumada said. "Normally, the tickets list between 10 to 15 people," Coco explained, "but most of these tickets list only 6 or 7 names." Both agreed that this could be due to a lack of enthusiasm for Torrijos' managerial and decision-making styled or could reflect caution by PRD members who did not want to make it public yet who they supported as presidential candidates. Nicolas Gonzalez-Revilla, campaign manager for Rod Diaz's run for a seat on the PRD CEN, echoed these ladies' regarding the on January 4 telling POLCOUNS, "The Secretary General (President Torrijos) is not coming into

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this internal election process fully in charge and with a phalanx of people to deploy to take the party in a new direction toward an election victory. Instead the party's internal election process was being overshadowed by competition among presidential contenders."

¶10. (C) Coco noted that First Lady Vivian de Torrijos was putting together her own ticket to become a CDN delegate for the 8.7 district. (Note: The Torrijos' live in the only tony corner of the 8.7 district, Quarry Heights in the Ancon neighborhood, the former home of SOUTHCOM's command.) The First Lady sent a message to Coco asking her to step down as the principal delegate for the 8.7's ticket and to join her ticket in the number 2 slot. "I have not answered her yet. I really do not want to do it, but if she does win, then I am finished," Coco explained. "We have nothing in common. She is white, I am not. She is rich, I am not. I have always been a PRD member, she has not."

¶11. (C) Coco and de Ahumada said that they both support First VP and FM Samuel Lewis to be the PRD's presidential candidate, but both acknowledged his weaknesses. Neither liked Panama City Mayor Juan Carlos Navarro much either. (Note: As director of Panama City's Los Pueblos outdoor architectural museum, de Ahumada works directly for Navarro.) More surprisingly, both expressed a profound dislike for Minister of Housing Balbina Herrera. "Balbina does well in the 'outside' polls, but not in the internal PRD polls when it comes to women," de Ahumada said. "About 52 percent of the PRD rolls are made up of women." Coco added, "Balbina does not like other women; they compete against her. She 'killed' (former Minister of Government and Justice) Olga Golcher. She 'killed' (Panama Province Governor) Gladys Bandiera, and she did the same with other leaders in the interior." Both complained that women's events received support and resources from El Toro, Lewis, and Navarro, but never Herrera. Gonzalez-Revilla and Diaz on January 4 dismissed the idea that there was a significant difference between Herrera's support within and outside the party. Diaz said that Lewis, "a close friend," was "finished" and would not be a presidential contender. Both Diaz and Gonzalez-Revilla reacted viscerally against Navarro whom they view as an "opportunist" and "interloper." "Balbina will emerge ultimately as the PRD's presidential candidate," Diaz asserted.

¶12. (C) More generally, de Ahumada said, "Nobody wants to burn themselves. Nobody wants to go out there and defend anything regarding this government." Coco noted that she had appeared live on Panama City television host (and former Mayor of Panama city) Mayin Correa's show. Correa confronted

Coco with a large file of problems regarding Navarro's administration of the city. "There was nothing I could do," Coco said. "All the things she mentioned were true. How could I defend him just because he is a PRD member?" De Ahumada added that the day after Coco's appearance on Correa's show that she received a call from Navarro's office advising her not to hang out with Coco as she was not a real PRD member for not having defended the mayor. (Note: Correa was unseated by Navarro and despises the current mayor.) Both agreed that similar threats would soon start emanating from the various candidates as they learned who was supporting whose candidacy. "Most of us work in the government. All of the candidates are in public life," de Ahumada explained. "What can we or others expect?"

¶13. (C) Comment: The upcoming internal PRD elections, starting with the January 20 CDN elections, are shaping up to be particularly more bruising than usual. Torrijos, while still in control of the party, has had his grip weakened in the wake of PMG's election as President of the National Assembly. Divisions between modernist and retrograde tendencies are starting to come to the surface. Add that raw, street-level, power politics, and all the ingredients for a rough and tumble internal political process are present. That traditionally faithful rank and file leaders like de Ahumada and Coco -- as well as Buitrago -- are upset could foretell

surprising turns between the January 20 CDN elections and the March National Executive Committee (CEN) elections. Stay tuned.

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Mayin Correa to Support Martinelli  
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¶14. (C) "I'm going to support (Democratic Change (CD) President and presidential candidate) Ricardo Martinelli," lifetime Panamenista Party member and former Mayor of Panama City Mayin Correa told POLCOUNS on January 4. "He told me that he would give me whatever position I wanted, and he is going to win any way." Correa said that there was no way that the opposition would be fully united; "There will be two opposition candidates, Martinelli and the Panamanista nominee." Asked who she thought would win the Panamenista nomination, Correa asserted, "Juan Carlos Varela will easily defeat Alberto Vallarino in the party primaries. He is running a good campaign, and he is well organized, funded, and supported. Vallarino is an ingrate and does not really seem to want to campaign. I as Vallarino's vice presidential running mate and I would not vote for him." While she strongly believed that Varela would win the Panamenista nomination, she was dismissive of the prospects that Varela could ultimately win the presidency. Correa was not worried about a split opposition field and believed that the opposition could still defeat the governing Revolutionary Democratic Party (PRD), regardless of who it ran.

¶15. (C) Comment: Correa today is an outspoken voice on Panamanian radio and television talk shows. She is itching to get back into government and to support a winner. Her decision to support Martinelli -- based primarily on her belief that he was owed respect for having sustained high support in the polls -- may be an indication of a bandwagoning effect. Martinelli though appears to be quite free in promising positions in his future government, and, should he win, he may have a trouble meeting expectations.

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Anatomy of a Muckraker's Political Operation  
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¶16. (SBU) Muckraker and erstwhile anti-corruption pundit Enrique Montenegro closed out 2007 with a vitriolic e-mail attack on Attorney General Ana Matilde Gomez's three years in office that he launched on December 28. Montenegro runs a one-man anti-corruption NGO called "The National Front Against Corruption (FNCC)," or simply the "Anti-Corruption



Front." The designation of the current Attorney General of the Nation was an error," Montenegro asserted in his letter, continuing, "She has committed many errors that are a result of her inexperience, lack of talent, conflictive and problematic personality." Well, with enough spamming -- POLCOUNS received his copy on January 1 -- Montenegro succeeded in gaining enough traction that the core elements of his four-page screed were published on January 2 by Panama City daily "Panama-America."

¶17. (C) Comment: Montenegro is a notorious political hired gun prepared to assault one's political foe or GOP official of choice for a price. He is expert at moving muck from the realm of gossip, spraying it across Panama as e-mail spam, and eventually making it stick in the "responsible" media. Close to, but not a member of, the governing Revolutionary Democratic Party (PRD), Montenegro is politically flexible and is alleged to have provided his services not only to PRD Mayor of Panama City Juan Carlos Navarro, but also to Democratic Change (CD) President and presidential candidate Ricardo Martinelli and to Panamenista Party President and presidential candidate Juan Carlos Varela. Indeed, when Montenegro's son went missing at sea on his jet ski in October 2007, both Varela and Martinelli were quick to call POLCOUNS to request U.S. Coast Guard assistance in locating his son. (Note: The USCG was already on the case with the National Maritime Service (SMN), eventually located the lost jet skier, and vectored a fishing boat to the pull Montenegro's son from the water miles from shore.) Montenegro subsidizes his meager pension with guest appearances on television and radio shows as an anti-corruption "expert" and by wheeling and dealing in corruption dirt and its placement in the media. The Anti-Corruption Front provides Montenegro a patina of respectability and serves as a shingle to draw in purveyors of gossip. As for Montenegro's accusations against the Attorney General, most of his letter is composed of re-treaded common wisdom, much of which post accepts. The Panama Post will keep its ears open to try to learn who put Montenegro up to this latest hit job and why.  
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